

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Study Session

July 15, 2002  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger, Councilmembers Creighton, Davidson, Lee<sup>1</sup>, Mosher, and Noble

ABSENT: None.

1. Executive Session

Mayor Marshall opened the meeting at 6:00 p.m. and announced recess to executive session for approximately 15 minutes to discuss one item of pending litigation. She said a brief executive session will be held at the end of the regular session to discuss an additional topic.

The study session resumed at 6:15 p.m. with Mayor Marshall presiding.

2. Study Session

(a) Budget Discussion – Development Services Improvement (DSI) Initiative

City Manager Steve Sarkozy opened a discussion of the cross-functional Development Services Improvement (DSI) initiative. He noted that Council previously identified interdepartmental projects as a budget priority.

Jocelyn Mathiasen, Assistant to the City Manager, introduced members of the Permitting Systems Oversight Committee: Carol Helland, Land Use Director; John Backman, PCD Administrative Services Director; Steve Nuttall, Fire Marshall; Laurie Gromala, Transportation Assistant Director; and Wes Jorgenson, Utilities Assistant Director of Engineering. The Development Services Improvement project was initiated in September 2001 in response to concerns expressed by the public, City Council, the Construction Code Advisory Committee, and staff. Staff felt the development services process could be improved and is able to address this issue now as the workload has diminished with the recent decrease in development activity.

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<sup>1</sup> Mr. Lee arrived at 6:08 p.m.

Mr. Nuttall provided an overview of the development review function, a major city function involving five departments and 50 staff positions. More than 10,000 permits are issued annually and efforts are intended to ensure the safety, health and welfare of citizens. The Transportation Department works with developers to mitigate potential traffic impacts, evaluate concurrency status, ensure street improvements meet City quality and design standards, and ensure that City property is not damaged by construction activity. Land use planners work to make sure development is compatible with and enhances the character of existing neighborhoods and to provide opportunities for public involvement in land use decisions.

Utilities staff protect streams from erosion and siltation, protect properties from flooding, and protect the water quality of streams and lakes. They ensure that storm water and sewer systems are built to City standards and that a reliable water system is available for fire fighting purposes. The Building Division is responsible for the strength and stability of buildings and for making sure that occupants have a safe way out in the event of an emergency. Staff work to protect property against flood and dry rot, protect indoor air quality, and ensure safe wiring and plumbing systems.

Fire protection engineers and reviewers in the Fire Department make sure fire and emergency medical access is available, review sophisticated fire protection systems, analyze fire fighting water supply needs, and provide alternatives and mitigation measures when appropriate. The Parks Department review staff make sure development does not adversely affect adjacent parks, open spaces, and trail systems. They work with applicants to develop linkages to park facilities and, in some cases, to ensure that new development provides active recreation opportunities. Parks staff promote the attractive and appropriate placement of street trees and frontage improvements.

Building Official Mike Brennan reviewed the current organizational structure for the delivery of development review and inspection services. Review and inspection functions were originally established in multiple departments to ensure compliance with the broad range of City standards. From a management perspective, this structure creates challenges inherent in cross-departmental decision making and deployment of resources. The Permitting Systems Oversight Committee and the Permitting Systems Management Committee coordinate this interdepartmental effort. Development review activities are budgeted through separate funds within each of the following departments or divisions: PCD Land Use, PCD Building, Utilities, Fire, Transportation, and Parks. Mr. Brennan noted that staff is currently reviewing fees and will develop a comprehensive proposal for a cost of service study across departments.

Mr. Brennan reviewed cross-departmental staffing and contracting history. Staffing levels fluctuate depending on the workload. Mr. Brennan noted a peak in development activity in 2000. He reviewed a history of the value of issued construction since 1990, noting that residential development and commercial alterations/tenant improvements remain fairly consistent over time. Large commercial projects can provide dramatic fluctuations in permit values, however.

Mr. Brennan reviewed the following challenges within the development review process:

- Complicated, high-rise office projects,
- Diminishing buildable land, which results in more difficult project sites,
- Concurrency requirements and increased traffic congestion,
- Placement of fiber optic cables and deployment of wireless technologies,
- Increasing use of project phasing,
- Reviewer involvement during construction, and
- Endangered Species Act (ESA) requirements.

Mr. Brennan said the workload became almost unsustainable at the peak of the City's development activity in 2000 and 2001. The City relied heavily on limited-term and contract employees with little time to focus on ongoing staff training and development. Mr. Brennan said 56 percent of current development review employees were hired within the past six years due to high employee turnover. The current workload remains significant during this "tail" of the recent building boom and to focus on the DSI initiative. Mr. Brennan said functions such as systems support, auditing/monitoring, and customer support/information services are in need of enhanced staffing and attention.

Responding to Dr. Davidson, Mr. Brennan said contract employees have been hired based on workload increases and to provide a particular technical expertise. In further response, Mr. Brennan said FTEs have remained constant since 1996. Ms. Mathiasen noted the Transportation Department eliminated one FTE position in 2001.

Responding to Mayor Marshall, Mr. Brennan said the management strategy for staffing resources recognizes the need to maintain core staff for the consistent delivery of services. As the workload increases, contract staff are utilized on a short-term basis and limited-term employees are hired for a maximum of three years. As the workload decreases, the use of contract and LTE staff is reduced or eliminated. Mr. Brennan said FTEs have been reduced in the past as well.

Moving on, Ms. Mathiasen reviewed the mission of the DSI initiative:

- To deliver a process that is predictable, efficient, and understandable.
- To be viewed as a single organization in the delivery of development services.
- To ensure the City continues to protect the quality of the public and private infrastructure, the safety and integrity of the built environment, and the livability of the city.

She described the mission as an emphasis on fast, simple, and one city. The first step of the project was to assess needs and problems in development services, in part through input from the Construction Code Advisory Committee. The project team then analyzed similar initiatives in other cities and developed performance targets. Based on this information, staff prepared an improvement plan designed to achieve the performance targets. This plan contains management improvements and policy review/reform.

Ms. Mathiasen reviewed the strengths of the current development review system:

- High-quality infrastructure, neighborhood protections, and a high level of safety and environmental protection.

- Technically superior and dedicated staff – Staff has been able to introduce new programs and technologies despite the heavy workload in recent years.
- Automated permit tracking system.
- Implementation of mybuildingpermit.com.

Weaknesses and issues identified include:

- Limited system oversight – There are no overall performance targets for the development review process, and interdepartmental coordination could be improved.
- Uneven deployment and use of technology.
- Inability to react quickly to changes in workload.
- There is a need for a customer service/facilitator ethic across the development review process.
- Inconsistent and outdated customer information – Ms. Mathiasen noted this function is understaffed.
- Inefficiencies and inconsistencies in the process – Some permits go through multiple review cycles and others experience delays.
- Staff is willing to tailor codes and processes for particular situations. However, this results in longer processing times.
- The City has been known to accept incomplete or otherwise poor submittals, which slows down processing as well.

Ms. Mathiasen said the end product in terms of Bellevue's built environment is excellent. However, the City is not achieving the goals of fast, simple, and one city.

Ms. Mathiasen described the establishment of performance objectives. Processing times under the DSI Initiative will range from 14 to 120 calendar days depending on the type of permit. As an example, Ms. Mathiasen said processing for a new single-family home permit currently averages 84 days. Under the new time line goals, this type of permit will be processed within 28 days. Another objective is to provide accurate cost and issuance date information at the time an application is submitted. Objectives focused on efficiency include ensuring that 90 percent of applications are complete at submittal, a maximum of one to two revision cycles instead of the current five to seven revision cycles for many permits, and a reduction in the number of permit types as well as an increase in permit types available over the counter and via the Internet. Additional objectives include making sure customers understand the overall process from the beginning and providing detailed information via the Internet and phone.

Ms. Mathiasen described the need for the following management reforms:

- System-wide mission and culture across all departments.
- Organization and oversight – Ms. Mathiasen said development review involves five departments, with no single point of accountability or authority.
- Process reform to simplify and streamline the process.
- Customer information.
- Effective deployment of technology tools.

- Staff training and evaluation.

In addition, policy reforms have been identified for the following areas:

- Appropriate level of regulation.
- Level of oversight.
- Extent of public/political process.

Ms. Mathiasen reviewed work items developed to begin addressing management reforms including the implementation of a monitoring system and a single point of accountability by the end of this year. Additional work items in the coming years include streamlining processes, an emphasis on staff training and evaluation, system-wide oversight and workload management, and the resolution of numerous conflicts within the City Code. Staff proposes returning to Council in the fall for a discussion of possible policy reforms.

Ms. Mathiasen discussed potential tradeoffs to be considered. If the City is going to promise shorter processing times and greater predictability, stricter policies will apply to submittals. The DSI initiative involves extensive resources across five departments. All elements must be addressed in order to realize the desired service level. Ms. Mathiasen said a reduction in regulatory oversight will likely have implications for quality and finances. Reduced oversight will lead to a reduction in code compliance. She noted that this policy issue will need to be addressed. Ms. Mathiasen said the DSI initiative will improve efficiency. However, there will always be tradeoffs between quality, speed, and cost.

Mr. Mosher suggested that some reviewers/inspectors be designated to work on smaller residential projects. He has received many complaints from homeowners over the years that the City's permit system is designed for developers and not for the average homeowner planning a smaller improvement or repair.

Deputy Mayor Degginger became involved with the Construction Code Advisory Committee early in his Council term. He noted the following key issues raised by the development community: 1) the City needs a comprehensive approach to development review services, and 2) the City lacks a customer service ethic. He suggested the City's mission should be to deliver outstanding customer service that is predictable, efficient, understandable, and timely. Mr. Degginger discussed the need for accountability and improved coordination in the overall process. He noted technology improvements funded by Council and questioned whether these have contributed to enhanced productivity. He is concerned that some technology applications, such as the AMANDA permit tracking system, are not used by all departments that could benefit from them.

Deputy Mayor Degginger encouraged the aggressive implementation of faster processing times and enhanced customer service. He wants all customers to be treated with respect and dignity and to receive adequate answers to their questions. He said this project is critical in the current competitive environment.

Mr. Noble concurred with Mr. Degginger. He has also heard stories indicating the need for comprehensive reform. Mr. Noble commended staff for acknowledging existing problems and the need for change. He feels it is possible to achieve high-quality services, predictable time lines, and reasonable costs without sacrificing any of the three. Responding to Mr. Noble, Ms. Mathiasen said a range of options have been discussed to address accountability and authority of the overall development review function. Staff will discuss this further with Council in the fall.

Mr. Creighton agreed with Mr. Noble that compromises should not have to be made between speed, cost, and quality of services. However, Mr. Creighton acknowledged the City's difficult role as both facilitator and regulator. He would like to see improved services for residents undergoing home improvement projects.

Dr. Davidson is pleased to have a Council willing to address these issues. However, he is somewhat concerned with the proposed time line and would like reform to occur sooner.

Mr. Degginger encouraged the cross training of review and inspection staff to better enable the City to respond to shifts in workload. He feels it is imperative to improve the attitude of some inspectors.

Mayor Marshall agreed with Mr. Degginger about the importance of accountability. She wants the City to be a facilitator and to assist citizens rather than acting as roadblocks. She suggested enhancing customer education to achieve customer satisfaction. She supports cross training of staff. Mrs. Marshall suggested that staff be evaluated based on customer service skills, complaints received, timeliness, problem solving skills, and use of technology. She noted Council consensus that speed, predictability, and low cost are top priorities.

Mr. Brennan thanked Councilmembers for their candor and assured them staff understands their issues. He said tonight's presentation will be provided to the Construction Code Advisory Committee for input as well. Mayor Marshall asked that Council receive the minutes of that discussion.

### 3. Council Business [Item 6 of Regular Session Agenda]

At 7:46 p.m., Mayor Marshall suggested reporting on Council Business. Mr. Noble attended a meeting of the Puget Sound Regional Council Transportation Policy Board. Mayor Marshall reported that she, Dr. Davidson, and Mr. Creighton attended the 4<sup>th</sup> of July celebration in Downtown Park. She thanked City staff for their work on this event.

At 7:53 p.m., Mayor Marshall declared recess to the regular session.

Myrna L. Basich  
City Clerk

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